

**AGREEMENT
ON
FILM CO-PRODUCTION
BETWEEN
THE GOVERNMENT OF THE CZECH REPUBLIC
AND
THE GOVERNMENT OF THE STATE OF ISRAEL**

The Government of the Czech Republic and the Government of the State of Israel (hereinafter referred to as „the Parties“),

Considering the fact that mutual cooperation may serve the development of film production and encourage the further development of the cultural and technological ties between the two countries;

With respect to the fact that film co-production may be beneficial to the film industries of their respective countries and contribute to the economic growth in the Czech Republic and in the State of Israel;

Referring to their mutual decision to establish a framework for encouraging all audio-visual media output, especially the co-production of films;

Recalling the Agreement between the Government of the Czech and Slovak Federal Republic and the Government of the State of Israel on Cooperation in the Fields of Culture, signed in Prague on 29 April 1991;

Have agreed as follows:

Article 1

For the purpose of this Agreement:

- (1) **„co-production film“** means an audio visual work, in which the Czech and the Israeli co-producer participate, regardless of length or genre, including fiction, animation and documentary productions, co-produced by a Czech co-producer and an Israeli co-producer, produced in any format, for distribution through any medium, including cinemas, television, internet, videocassette, videodisc, CD-ROM and any similar means, including any future forms of cinematographic production and distribution;
- (2) **„Czech co-producer“** means a Czech person or entity by whom the arrangement necessary for the making of the co-production film are undertaken;
- (3) **„Israeli co-producer“** means Israeli person or entity by whom the arrangement necessary for the making of the co-production film are undertaken;
- (4) **„national film“** means an audio visual work for which development, production and/or promotion support may be received from funds focused on national cinematography under applicable international agreements on film co-production and the domestic laws and regulation of each Party;
- (5) **„Competent Authorities“** means the bodies responsible for the implementation of this Agreement. The Competent Authorities are:
 - For the Czech side: the State Fund of Cinematography
 - For the Israeli side: The Ministry of Culture and Sport.

Article 2

(1) Co-production films to be co-produced pursuant to this Agreement must be approved by the Competent Authorities in pursuance of the Rules of Procedure listed in Annex to this Agreement.

(2) Any co-production film co-produced in pursuance of the Agreement and approved by the Competent Authorities shall be considered as a national film both in the Czech Republic and the State of Israel. Any benefits to which national films are entitled by virtue of each Party's domestic laws and regulations accrue solely to the co-producer of the country that grants the respective benefits.

(3) If conditions change according to which the Competent Authorities approved the co-production, the new approval must be requested.

Article 3

Co-production films shall be made up to creation of the first release print in the countries of the participating co-producers. However, if a scenario or the subject of the co-production film so requires, location shooting (exterior or interior) in another country is also possible. Similarly, if post-production services are not available in satisfactory quality or under satisfactory conditions in a country participating in the co-production, the procurement of such services may be ordered from a supplier in a third country.

Article 4

(1) The respective contributions of the Czech co-producer and Israeli co-producer to a co-production may vary from 10 per cent to 90 per cent of the production budget. In addition, the Czech co-producer and Israeli co-producer shall both be required to make a technical and/or creative contribution in the co-production film. The technical and creative contribution includes among others authors, performers, technical and production personnel, other crew members, laboratories and facilities.

(2) Producers from third countries may participate in the co-production, providing that their contribution shall be no more than thirty (30) percent of the total budget of the co-production film each, and that the contribution of the Czech co-producer and the Israeli co-producer shall be no less than fifty (50) percent. Such participation will be subject to the provisions of Article 5 of the Agreement.

Article 5

(1) The intellectual property rights in a co-production film that are not owned by the Czech co-producer and/or Israeli co-producer shall be provided to the co-producer through license or similar arrangements.

(2) Allocation of intellectual property rights in a co-production film, including ownership and licensing thereof, shall be agreed upon in the co-production contract.

(3) The conditions of the access to the original co-production film materials and the possibility to duplicate them as well as the conditions for joint basis ownership of the physical copy of the original negative or other recording media in which the master of a co-production film is made, shall be regulated by co-production contract concluded among co-producers, according to the Rules of Procedure listed in the Annex of this Agreement.

(4) In the event that the co-production film is made on film negative, the negative shall be developed in a laboratory chosen by the co-producers, and shall be deposited in such a chosen laboratory under agreed conditions.

Article 6

The Parties shall facilitate the temporary entry and the re-export of film equipment necessary for the production of co-production films under this Agreement, subject to the respective laws and regulations of their states. The entry and residence of the creative and technical staff of the other Party for the purpose of participating in the production of co-production films shall be arranged in accordance with the respective domestic laws and regulations.

Article 7

Approval of the co-production film by the Competent Authorities does not imply itself any permission or authorization to show or distribute the co-production film thus produced.

Article 8

(1) If a co-production film is marketed in a country that has quota regulations in regard to the Czech Republic and to the State of Israel, the co-production film shall be included in the quota of the country of the majority co-producer. In the event that the contributions of the Czech co-producer and Israeli co-producer are equal, the co-production film shall be included in the quota of the country of which the director of the co-production film is a citizen or a permanent resident, and if the director is a citizen of another country and also a permanent resident of another country, the co-production film shall be included in the quotas of both the Czech Republic and the State of Israel.

(2) If a co-production film is marketed in a country that has quota regulations in regard to the Czech Republic or to the State of Israel, it shall be marketed by the co-producer in regard to whom there is no quota.

(3) If a co-production film is marketed in a country that has quota regulations in regard to the Czech Republic and/or the State of Israel, the Competent Authorities may agree on arrangements, in regard to the quota regulations that differ from those set out in paragraphs (1) and (2) of this Article.

(4) In all matters concerning the marketing or export of a co-production film, each Party shall accord the co-production film the same status and treatment as a domestic production, subject to the respective domestic laws and regulations.

Article 9

(1) All co-production films produced in pursuance of this Agreement shall be identified as Czech-Israeli or Israeli-Czech co-productions, and the countries of other co-producers of the co-production film shall be included in such identification in the same manner.

(2) Such identification shall appear in a separate credit title in all opening and/or end credits and in all commercial advertising and promotional material, whenever co-produced films are shown at any public performance.

Article 10

(1) For the purpose of the control of the implementation of this Agreement the Competent Authorities may establish a joint commission. The meetings of the joint commission shall be held as necessary alternately in Prague and Jerusalem. The composition of the joint commission shall be agreed by exchange of letters between the Competent Authorities.

(2) The joint commission shall:

- evaluate the implementation of this Agreement,
- determine whether the overall balance of the co-production has been achieved, considering the number of co-production films, artistic and technical contributions, the percentage and the total amount of the investments and determine the measures deemed necessary to establish such balance,
- give recommendation to generally improve cooperation in the film co-production between Czech and Israeli producers,
- recommend amendments to this Agreement to the Competent Authorities.

Article 11

This Agreement may be amended in writing by mutual consent of the Parties. Any amendments to this Agreement or to the attached Annex shall follow the same procedures for entering into force as are specified in Article 14 (1).

Article 12

Any differences that may arise regarding the interpretation or implementation of this Agreement shall be settled amicably by negotiations through diplomatic channels.

Article 13

(1) The Competent Authorities shall act in accordance with the Rules of Procedure in carrying out film co-productions. The Rules of Procedure are attached in the Annex hereto and constitute an integral part of this Agreement.

(2) Any activity carried out by a Party pursuant to this Agreement, shall be done in accordance with the national laws and regulations of that Party.

Article 14

(1) This Agreement shall enter into force on the date of receipt of the latter of the notifications through diplomatic channels, in which the Parties inform each other of the completion of their internal legal procedures required for the entry into force of the Agreement.

(2) This Agreement shall remain in force for the period of five years and shall be automatically renewed for subsequent periods of five years unless either Party informs the other, in writing, of its decision to terminate the Agreement at least six months before the expiry of this period.

(3) Unaccomplished co-productions approved by the Competent Authorities during the validity of this Agreement, shall not be affected by the terminations of this Agreement.

Done in Jerusalem on 8th November 2017, which corresponds to the 19 of Cheshvan, 5778, in two originals each in the Czech, Hebrew and English languages, all texts being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

For the Government
of the Czech Republic

Daniel Herman
Minister of Culture

For the Government
of the State of Israel

Miri Regev
Minister of Culture

ANNEX
RULES OF PROCEDURE

1. Applications for approval of a film for co-production benefits must be filed with both Competent Authorities at least 30 days prior to the beginning of principal shooting or key animation of the film.
2. The Competent Authorities shall notify each other of their decision regarding any such application for co-production within 30 days from the date of submitting the complete documentation as listed in Art. 3 of this Rules of Procedure.
3. Applications must be accompanied by the following documents in the Czech or English languages for the Czech Republic and in the Hebrew or English languages for the State of Israel:
 - a. a proof of license arrangements with respect to copyright for the screenplay of the film, including all pre-existing literary works, if any;
 - b. the signed co-production contract between a Czech co-producer and an Israeli co-producer, eventually with the participation of a co-producer or co-producers from other countries.
4. The co-production contract shall make provision for the following issues:
 - a. the title of the film, even if provisional;
 - b. the name of the scriptwriter(s) and the authors of preexisting literary work(s) such as novels or dramatic plays, where applicable;
 - c. the name of the director (a safety clause is permitted for his replacement);
 - d. a synopsis of the film attached as an annex to the co-production contract;
 - e. the budget of the film (even if provisional) attached as an annex to the co-production contract;
 - f. the plan for financing the film (even if provisional) attached as an annex to the co-production contract;
 - g. the amount of the financial, in-kind and other contributions of the co-producers;
 - h. the respective participation of the co-producers in any costs which exceed the budget or in the benefits from any savings in the production costs;
 - i. allocation of intellectual property rights in a co-production film, including ownership and licensing thereof;
 - j. a clause by which each co-producer shall have free access to all the original co-production materials and the right to duplicate or print therefrom;
 - k. a clause by which the approval of the co-production film, entitling it to benefits under the Agreement, does not obligate the Competent Authorities of either Party to permit the public screening of the film;
 - l. the presumed starting date of shooting;
 - m. the production schedule;
 - n. a clause which requires the co-producers to take out an insurance policy covering typical risks of film production.

5. The Competent Authorities may request any further documentation and information, which the Competent Authorities deem necessary in order to process the application.
6. The Competent Authorities shall approve the co-production formally within 30 days after the application is filed with both Competent Authorities, provided that materials attached to the application prove satisfactorily that all conditions set out by the Agreement are met.
7. Amendments to the original co-production contract, which may lead to departure from the conditions set out in this Agreement, shall be subject to new approval by the Competent Authorities.
8. The replacement of Czech or the Israeli co-producer by another entity is subject to approval by the Competent Authorities.